

Part IV Additional Stock Information

1 During the tax year, did the corporation have more than one class of stock outstanding?

Corp. No.	Name of corporation	Answer to question 1		If "Yes" to question 1, list and describe each class of stock.
		Yes	No	
83	Grace Germany Holdings, Inc.		X	
3	W.R. Grace & Co. - Conn.		X	

2 During the tax year, was there (a) any member of the consolidated group that reaffiliated within 60 months of disaffiliation or (b) any member of the affiliated group that was deconsolidated under Rev. Proc. 91-11, 1991-1 C.B. 470 (as modified and clarified by Rev. Proc. 91-39, 1991-2 C.B. 694), Rev. Proc. 95-11, 1995-1 C.B. 505, or Rev. Proc. 95-39, 1995-2 C.B. 399?

Corp. No.	Name of corporation	Answer to question 2		If "Yes" to (a) or (b) of question 2, list the member(s) and explain the circumstances.
		Yes	No	
83	Grace Germany Holdings, Inc.		X	
3	W.R. Grace & Co. - Conn.		X	

3 During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another member of the affiliated group?

Corp. No.	Name of corporation	Answer to question 3		Item 3a	Item 3b	Item 3c
		Yes	No			
83	Grace Germany Holdings, Inc.		X	%	%	%
3	W.R. Grace & Co. - Conn.		X	%	%	%
				%	%	%
				%	%	%

Corp. No. Item 3d - Provide a description of any arrangement.

83	
3	

Sign Here

Under penalties of perjury, I declare that I have examined this form, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and complete for the tax year as stated.

Signature of officer

Date

Title

**Return by a U.S. Transferor of Property
to a Foreign Corporation
(under section 367)**

Part I U.S. Transferor Information (see instructions)

Name of transferor H. B. GRACE & CO. - CONN	Identification number (see instructions) 13-5114230
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Number, street, and room or suite no. (If a P.O. box, see instructions.)

7500 GRACE DRIVE

City or town, state, and ZIP code

COLUMBIA, MD 21044

1 The following questions apply only if the transferor is a corporation:

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations?

b Did the transferor remain in existence after the transfer?

If not, list the controlling shareholder(s) and their identification number(s):

Controlling shareholder	Identification number
W.R. GRACE & CO. - CONN.	13-5114230

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation
W.R. GRACE & CO.	65-0773649

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), list the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation) GRACE AUSTRALIA, PTY. LTD.	4 Identification number, if any
5 Address (including country) 1126 SYDNEY ROAD	
6 Place of organization or creation FAWKNER, VICTORIA 3060 AUSTRALIA	7 Foreign law characterization (see instructions)
8 Is the transferee foreign corporation a controlled foreign corporation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

For Paperwork Reduction Act Notice, see separate instructions.

Form 926 (Rev. 10-98)

Part III Information Regarding Transfer of Property (see instructions)**9 Date of transfer**

DECEMBER 2001

10 Type of nonrecognition transaction (see instructions) IRC SEC. 351(a)**1 Description of property transferred:**

SEE ATTACHED

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? Yes No13 Was the transferor required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T (e.g., for tainted property, depreciation recapture, branch loss recapture, etc.)? Yes No14a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred pursuant to the transaction? Yes No

b If yes, describe the nature of the rights to the intangible property that was transferred in the transfer:

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Ellyn Fife

Signature

9/13/02

Date

Vice President

Title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed

Preparer's social security no.

Firm's name (or yours if self-employed) and address

EIN

Statement Pursuant to Treasury Regulation § 1.351-3(a)

for

W. R. Grace & Co. - Conn.

By

W. R. Grace & Co.

For the Year Ended December 31, 2001

EIN 65-0773649

The following statement is submitted by W. R. Grace & Co. (the "Taxpayer") on behalf of its wholly-owned affiliate, W. R. Grace & Co.-Conn. ("Grace-Conn."), with respect to Grace-Conn.'s transfer of cash in December, 2001 of \$3,366,000 to Grace Australia Pty. Ltd.

(1) Description of Property Transferred.

In December, 2001 Grace-Conn. contributed \$3,366,000 to the capital of Grace Australia Pty. Ltd.

(2) Description of Controlled Corporation Stock Received in the Exchange.

At the time of the transfer, Grace-Conn. owned 100 percent of the total voting power and value of Grace Australia Pty. Ltd. The transfer was made as a contribution to the capital surplus of Grace Australia Pty. Ltd. Grace Australia Pty. Ltd. issued no shares pursuant to the transfer.

(i) Description of Preferences.

Although Grace Australia Pty. Ltd. did not issue any shares pursuant to the transfer, Grace Australia Pty. Ltd. has only one class of stock outstanding, of which Grace-Conn. owned 100%.

(ii) Number of Shares of Each Class Received.

Grace Australia Pty. Ltd. issued no shares pursuant to the transfer.

(iii) Fair Market Value Per Share of Each Class at the Date of the Exchange.

N/A

(3) Description of Controlled Corporation Securities Received in the Exchange

Grace Australia Pty. Ltd. did not issue any securities in the exchange.

(4) Money Received.

Grace-Conn. did not receive any money in the exchange.

(5) Other Property Received.

Grace-Conn. did not receive any other property in the exchange.

(6) Liabilities Assumed by the Controlled Corporation.

Grace Australia Pty. Ltd. did not assume any liabilities in the exchange.

**Return by a U.S. Transferor of Property
to a Foreign Corporation
(under section 367)****Part I U.S. Transferor Information (see instructions)**

Name of transferor

W. R. GRACE & CO. - CONN.

Identification number (see instructions)

13-5114230

Number, street, and room or suite no. (If a P.O. box, see instructions.)

7500 GRACE DRIVE

City or town, state, and ZIP code

COLUMBIA, MD 21044

1 The following questions apply only if the transferor is a corporation:

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? Yes No

b Did the transferor remain in existence after the transfer? Yes No

If not, list the controlling shareholder(s) and their identification number(s):

Controlling shareholder	Identification number
W.R. GRACE & CO. - CONN.	13-5114230

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation
W.R. GRACE & CO.	65-0773649

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), list the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

Part II Transferee Foreign Corporation Information (see instructions)3 Name of transferee (foreign corporation)

W.R. GRACE ARGENTINA, S.A.

4 Identification number, if any

5 Address (including country)

PRIMERA JUNTA 570, QUILMES (PROV. BUENOS AIRES) ARGENTINA

6 Place of organization or creation

BUENOS AIRES, REPUBLIC OF ARGENTINA

7 Foreign law characterization (see instructions)

8 Is the transferee foreign corporation a controlled foreign corporation? Yes No

For Paperwork Reduction Act Notice, see separate instructions.

Form 926 (Rev. 10-98)

Part III Information Regarding Transfer of Property (see instructions)**9 Date of transfer**

DECEMBER 2001

10 Type of nonrecognition transaction (see instructions) IRC SEC.351(a)**11 Description of property transferred:**

SEE ATTACHED

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? Yes No**13** Was the transferor required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T (e.g., for tainted property, depreciation recapture, branch loss recapture, etc.)? Yes No**14a** Was intangible property (within the meaning of section 936(h)(3)(B)) transferred pursuant to the transaction? Yes No**b** If yes, describe the nature of the rights to the intangible property that was transferred in the transfer:

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ *Elynn Felt*

Signature

9/3/02

Date

Vice President

Title

Paid Preparer's Use Only

▶ Preparer's signature

Date

Check if self-employed □

Preparer's social security no.

▶ Firm's name (or yours if self-employed) and address

EIN ▶

ZIP code ▶

Statement Pursuant to Treasury Regulation § 1.351-3(a)

for

W. R. Grace & Co. - Conn.

By

W. R. Grace & Co.

For the Year Ended December 31, 2001

EIN 65-0773649

The following statement is submitted by W. R. Grace & Co. (the "Taxpayer") on behalf of its wholly-owned affiliate, W. R. Grace & Co.-Conn. ("Grace-Conn."), with respect to Grace-Conn.'s transfer in December, 2001 of \$2,300,000 to W. R. Grace Argentina S.A.

(1) Description of Property Transferred.

In December, 2001 Grace-Conn. transferred \$2,300,000 to W. R. Grace Argentina S.A.

(2) Description of Controlled Corporation Stock Received in the Exchange.

At the time of the transfer, Grace-Conn. owned 100 percent of the total voting power and value of W. R. Grace Argentina S.A. The transfer was made as a contribution to the capital surplus of W. R. Grace Argentina S.A. W. R. Grace Argentina S.A. issued no shares pursuant to the transfer.

(i) Description of Preferences.

Although W. R. Grace Argentina S.A. did not issue any shares pursuant to the transfer, W. R. Grace Argentina S.A. has only one class of stock outstanding, of which Grace-Conn. owned 100%.

(ii) Number of Shares of Each Class Received.

W. R. Grace Argentina S.A. issued no shares pursuant to the transfer.

(iii) Fair Market Value Per Share of Each Class at the Date of the Exchange.

N/A

(3) Description of Controlled Corporation Securities Received in the Exchange

W. R. Grace Argentina S.A. did not issue any securities in the exchange.

(4) Money Received.

Grace-Conn. did not receive any money in the exchange.

(5) Other Property Received.

Grace-Conn. did not receive any other property in the exchange.

(6) Liabilities Assumed by the Controlled Corporation.

W. R. Grace Argentina S.A. did not assume any liabilities in the exchange.

Form 926

(Rev. October 1998)

Department of the Treasury
Internal Revenue ServiceReturn by a U.S. Transferor of Property
to a Foreign Corporation
(under section 367)

OMB No. 1545-0026

Part I U.S. Transferor Information (see instructions)

Name of transferor W. R. GRACE & CO. - CONN.	Identification number (see instructions) 13-5114230
Number, street, and room or suite no. (If a P.O. box, see instructions.) 7500 GRACE DRIVE	
City or town, state, and ZIP code COLUMBIA, MD 21044	

1 The following questions apply only if the transferor is a corporation:

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? Yes No

b Did the transferor remain in existence after the transfer? Yes No
If not, list the controlling shareholder(s) and their identification number(s):

Controlling shareholder	Identification number
W.R. GRACE & CO. - CONN.	13-5114230

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation
W.R. GRACE & CO.	65-0773649

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), list the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation) W.R. GRACE SA	4 Identification number, if any
5 Address (including country) 33 route de Gallardon Bote Postale 3928234 Epernon CEDEX, France	7 Foreign law characterization (see instructions)
6 Place of organization or creation FRANCE	8 Is the transferee foreign corporation a controlled foreign corporation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

For Paperwork Reduction Act Notice, see separate instructions.

Form 926 (Rev 10-98)

Part III Information Regarding Transfer of Property (see instructions)

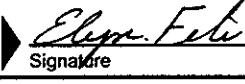
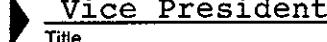
9 Date of transfer SEPTEMBER 2001	10 Type of nonrecognition transaction (see instructions) <u>IRC SEC.351(a)</u>
11 Description of property transferred: SEE ATTACHED	

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? Yes No

13 Was the transferor required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T (e.g., for tainted property, depreciation recapture, branch loss recapture, etc.)? Yes No

14a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred pursuant to the transaction? Yes No

b If yes, describe the nature of the rights to the intangible property that was transferred in the transfer:

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
	 Signature	9/13/02 Date	 Title
Paid Preparer's Use Only	Preparer's signature 	Date	Check if self-employed <input type="checkbox"/> Preparer's social security no. 
	Firm's name (or yours if self-employed) and address 		EIN  ZIP code 

Statement Pursuant to Treasury Regulation § 1.351-3(a)

for

W. R. Grace & Co. - Conn.

By

W. R. Grace & Co.

For the Year Ended December 31, 2001

EIN 65-0773649

The following statement is submitted by W. R. Grace & Co. (the "Taxpayer") on behalf of its wholly-owned affiliate, W. R. Grace & Co.-Conn. ("Grace-Conn."), with respect to Grace-Conn.'s transfer of business assets in September, 2001 of \$66,022,000 to W. R. Grace SA.

(1) Description of Property Transferred.

In September, 2001 Grace-Conn. contributed \$66,022,000 to the capital of W. R. Grace SA.

(2) Description of Controlled Corporation Stock Received in the Exchange.

At the time of the transfer, Grace-Conn. owned 100 percent of the total voting power and value of W. R. Grace SA. The transfer was made as a contribution to the capital surplus of W. R. Grace SA. W. R. Grace SA issued no shares pursuant to the transfer.

(i) Description of Preferences.

Although W. R. Grace SA did not issue any shares pursuant to the transfer, W. R. Grace SA has only one class of stock outstanding, of which Grace-Conn. owned 100%.

(ii) Number of Shares of Each Class Received.

W. R. Grace SA issued no shares pursuant to the transfer.

(iii) Fair Market Value Per Share of Each Class at the Date of the Exchange.

N/A

(3) Description of Controlled Corporation Securities Received in the Exchange

W. R. Grace SA did not issue any securities in the exchange.

(4) Money Received.

Grace-Conn. did not receive any money in the exchange.

(5) Other Property Received.

Grace-Conn. did not receive any other property in the exchange.

(6) Liabilities Assumed by the Controlled Corporation.

W. R. Grace SA did not assume any liabilities in the exchange.

W. R. Grace & Co. and Subsidiaries
2001 Consolidated U.S. Corporation Income Tax Return
E.I.N. 65-0773649

**Statement by W. R. Grace & Co.-Conn., a Connecticut corporation ("SHAREHOLDER") of
Receipt of W. R. Grace France SA Stock Pursuant to Treasury Regulations Section
1.367(b)-1(c)(3) for Tax Year Ended December 31, 2001.**

W. R. Grace & Co.-Conn.
E.I.N. 13-5114230

(1) Statement that Section 367(b) Applies

The exchange described below is one to which section 367(b) applies.

(2) Description of Exchange.

W.R. Grace SAS, an entity treated as a corporation for U.S. federal income tax purposes, organized and existing under the laws of France ("Distributing") is treated for U.S. federal income tax purposes as having transferred the specialty chemicals, container and construction businesses to W.R. Grace SA., an entity treated as a corporation for U.S. federal tax purposes, organized and existing under the laws of France ("CONTROLLED"), in a transaction qualifying under Section 368(a)(1)(D), and distributed the CONTROLLED shares to W. R. Grace & Co.-CONN., a Connecticut corporation ("SHAREHOLDER"), in a transaction qualifying under Section 355.

(3) Stock or Securities Received in the Exchange.

SHAREHOLDER received 100% of CONTROLLED shares in the exchange. Information concerning the adjusted basis of CONTROLLED shares and fair market value is available at the office of the taxpayer. SHAREHOLDER did not receive any securities in the exchange.

**(4) Amount Required to be Included in Gross Income or Added to E&P of
Exchanging Foreign Corporation.**

The amounts required to be attributed pursuant to Treasury regulations section 1.367(b)-4 through 1.367(b)-12 are substantially identical to the earnings and profits of DISTRIBUTING and CONTROLLED which are provided on the respective Forms 5471. Additional information is available at the office of the taxpayer.

(5) Earnings and Profits Attributed by Reason of Exchange.

No amount is required, under Treasury Regulations section 1.367(b)-4 through 1.367(b)-12, to be attributed to stock owned by SHAREHOLDER for the taxable year.

W. R. GRACE & CO. & SUBSIDIARIES

Use a **separate** Form 1118 for each applicable category of income listed below. See **Categories of Income** on page 1 of instructions. Also, see **Specific Instructions** on page 5.

Check only one box on each form.

Passive Income
 High Withholding Tax Interest
 Financial Services Income
 Shipping Income

► **Attach to the corporation's tax return.**
 ► **See separate Instructions.**

For calendar year 20 01 . or other tax year beginning .20 . and ending .20

Name of corporation
Employer identification number
65-0773649Case 01-01139-AMC
Name of Sanctioned Country
Name of Country
General Limitation IncomeName of Noncontrolled Section 902 Corporation;
Name of Foreign Corporation

Schedule A **Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See page 5 of instructions.)**

Gross Income or (Loss) From Sources Outside the United States (INCLUDE Foreign Branch Gross Income here and on Schedule F)

1. Foreign Country or U.S. Possession (Enter two-letter code from list beginning on page 10 of instructions. Use a separate line for each.)

Deemed Dividends (see instructions)
 2. Deemed Dividends (see instructions)
 (a) **Exclude gross-up** (b) **Gross-up (sec. 78)**
 (a) **Exclude gross-up** (b) **Gross-up (sec. 78)**

Dividends From a DISC or Former DISC
 Taxable Income Attributable To Foreign Trade Income
 Certain Distributions From a FSC or Former FSC
 Dividends From Each Noncontrolled Section 902 Corporation;
 Name of Foreign Corporation

Section 901(j) Income: Name of Sanctioned Country
 Income Re-sourced by Treaty: Name of Country
 General Limitation Income

Country of Incorporation

Case 01-01139-AMC
Doc 3022-1 Filed 11/19/02 Page 42 of 42

2. Total (add columns 2(a) through 7)

3. Other Dividends

4. Interest

5. Gross Rents, Royalties, and License Fees

6. Gross Income From Performance of Services

7. Other (attach schedule)

8. Total (add columns 2(a) through 7)

9. Definitely Allocable Deductions

(c) Expenses Related to Gross Income From Performance of Services

(d) Other Definitely Allocable Deductions

(e) Total Definitely Allocable Deductions (add columns 9(e) through 9(d))

10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part I, column (d))

11. Total Deductions (add columns 9(e) and 10)

12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)

Totals (add lines A through G)

For section 863(b) income, use a single line and enter 863(b).

Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)

Rental, Royalty, and Licensing Expenses

(a) Depreciation, Depletion, and Amortization

(b) Other Expenses

(c) Expenses Related to Gross Income From Performance of Services

(d) Other Definitely Allocable Deductions

(e) Total Definitely Allocable Deductions (add columns 9(e) through 9(d))

17. 714,122

5,832,431

22,429,950

15,932,179

11,259,553

27,191,732

Form 1118 (Rev 2-2002)

For Paperwork Reduction Act Notice, see separate instructions.

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)**Part I — Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of instructions.)**

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)						3. Tax Deemed Paid (from Schedule C — Part I, column 10, Part II, column 8(b), and Part III, column 8)	
<input checked="" type="checkbox"/> Paid	<input type="checkbox"/> Accrued	Tax Withheld at Source on:		Other Foreign Taxes Paid or Accrued on:					
Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 863(b) Income	(e) Foreign Branch Income	(f) Services Income	(g) Other	(h) Total Foreign Taxes Paid or Accrued (add columns 2(a) through 2(g))
A			504,760	689,698		756,886			1,951,344
B									91,474
C									
D									
E									
F									
G									
Totals (add lines A through G)		504,760	689,698		756,886			1,951,344	91,474

Part II — Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

- 1 Total foreign taxes paid or accrued (total from Part I, column 2(h))
- 2 Total taxes deemed paid (total from Part I, column 3)
- 3 Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)
- 4 Total carryover of foreign taxes (attach schedule showing computation in detail — see page 6 of the instructions)
- 5 Total foreign taxes (combine lines 1 through 4)
- 6 Enter the amount from the applicable column of Schedule J, Part I, line 11. (See page 6 of instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A.
- 7a Total taxable income from all sources (enter taxable income from the corporation's tax return)
- b Adjustments to line 7a. (See page 6 of instructions)
- c Subtract line 7b from line 7a.
- 8 Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1
- 9 Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)
- 10 Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)
- 11 Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)

Part III — Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. Do not include taxes on taxable income attributable to foreign trade income or taxes paid to sanctioned countries.

- 1 Credit for taxes on passive income
- 2 Credit for taxes on high withholding tax interest
- 3 Credit for taxes on financial services income
- 4 Credit for taxes on shipping income
- 5 Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)
- 6 Credit for taxes on dividends from a DISC or former DISC
- 7 Credit for taxes on certain distributions from a FSC or former FSC
- 8 Credit for taxes on general limitation income
- 9 Credit for taxes on income re-sourced by treaty (combine all such credits on this line)
- 10 Total (add lines 1 through 9)
- 11 Reduction in credit for international boycott operations (see page 6 of instructions)
- 12 Total foreign tax credit (subtract line 11 from line 10). Enter here and on the appropriate line of the corporation's tax return

Schedule C **Tax Deemed Paid by Domestic Corporation Filing Return**

Use this schedule to figure the tax deemed paid by the corporation with respect to dividends from a first-tier foreign corporation under section 902(a), and deemed inclusions of earnings from a first- or lower-tier foreign corporation under section 960(a). Report all amounts in U.S. dollars unless otherwise specified.

Part I — Dividends and Deemed Inclusions From Post-1986 Undistributed Earnings

Total (Add amounts in column 10. Enter the result here and include on "Totals" line of Schedule B Part I column 3)

Part II – Dividends Paid Out of Pre-1987 Accumulated Profits

Total (Add amounts in column 8b. Enter the result here and include on "Totals")

Total (Add amounts in column 8. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3)

Form 1118 - Schedule C - Part I
Dividends and Inclusions From Post-1986 Undistributed Earnings
Page 1 of 1
General Limitation Income

<u>1. Name of Foreign Corp</u>	<u>2. Inclusions U. S. Dollars</u>	<u>3. Divide column 8(a) by column 4</u>	<u>4. Tax Deemed Paid (multiply column 7 by column 9) (U. S. Dollars)</u>
<u>General Limitation Income Di</u>			
W. R. Grace (Hong Kong) Limi	509,230	0.048796	91.474
<u>Total General Limitation Incon</u>	<u>509,230</u>		<u>91,474</u>

Form 1118 - Schedule C - Part II
Dividends Paid Out of Pre-1987 Accumulated Profits
Page 1 of 1
General Limitation Income

1. Name of Foreign <u>General Limitation Income</u>	7. Divide column 6(a) by column 4		8. Tax Deemed Paid	
	(a) Functional Currency	(b) U. S. Dollars		
Total General Limitation In-				0
Total General Limitation In- =				91,474

Schedule D

Tax Deemed Paid by First- and Second-Tier Foreign Corporations Under Section 902(b)

Use Part I to compute the tax deemed paid by a first-tier foreign corporation with respect to dividends from a second-tier foreign corporation. Use Part I to compute the tax deemed paid by a second-tier foreign corporation with respect to dividends from a third-tier foreign corporation. Report all amounts in U.S. dollars unless

Part I – Tax Deemed Paid by First-Tier Foreign Corporations

Section A — Dividends Paid Out of Post-1986 Undistributed Earnings (Include the column 10 results in Schedule C, Part I, column 8(b)).

Section B - Dividends Paid Out of Pre-1987 Accumul

Tax Demand Paid by Second-Tier Foreign Corporations

Section A — Dividends Paid Out of Post-1986 Undistributed Earnings		Section B — Dividends Paid Out of Pre-1986 Undistributed Earnings		Section C — Dividends Paid Out of Capital Gains	
4. Post-1986 Dividends Paid	5. Dividends Deemed Paid	6. Pre-1986 Dividends Paid	7. Capital Gains	8. Dividends Paid in Kind	9. Dividends Paid in Cash
4. Post-1986	5. Dividends	6. Pre-1986	7. Capital Gains	8. Dividends	9. Dividends
4. Post-1986	5. Dividends	6. Pre-1986	7. Capital Gains	8. Dividends	9. Dividends
4. Post-1986	5. Dividends	6. Pre-1986	7. Capital Gains	8. Dividends	9. Dividends

Form 1118 - Schedule D - Part I
Tax Deemed Paid By First Tier Corporations
Page 1 of 1
General Limitation Income

1. Name Cents Paid (b) of First Tier Corporation	9. Divide column 8(a) by column 4	10. Tax Deemed Paid (multiply column 7 by column 9) (U. S. Dollars)
General Limitation I W. R. Grace (Malaysi (subsidiary of W. R.	1,934,838 0.379292	240,162

Total General Limitat	240.162
------------------------------	----------------

Schedule F **Gross Income and Definitely Allocable Deductions for Foreign Branches**

Totals (add lines A through G) ► 4, 368, 813 4, 715, 828 B. Part

* Note: The Schedule F totals are not carried over to any other Form 1118 Schedule. (These totals were already included in Schedule A.) However, the IRS requires the corporation to complete Schedule F under the authority of section 905(b).

9-33833

Schedule H Apportionment of Deductions Not Definitely Allocable (Complete Only Once)
Part I — Research and Development Deductions

		(a) Sales Method		(b) Gross Income Method — Check method used: <input type="checkbox"/> Option 1 <input checked="" type="checkbox"/> Option 2 (See page 9 of instructions.)	
		Product line #1 (SIC Code: <u>y</u>)	Product line #2 (SIC Code: <u>y</u>)	(iv) Total R&D Deductions	(v) Total R&D Deductions Under Sales Method (add columns (ii) and (iv))
		(i) Gross Sales	(ii) R&D Deductions	(iii) Gross Sales	(vi) Gross Income
1	Totals (see page 8 of instructions)				
2	Total to be apportioned				
3	Apportionment among statutory groupings:				
a	General limitation income				
b	Passive income				
c	High withholding tax interest				
d	Financial services income				
e	Shipping income				
f	Dividends from noncontrolled section 902 corp.				
g	Taxable income attributable to foreign trade income				
h	Section 901(j) income*				
i	Income re-sourced by treaty*				
4	Total foreign (add lines 3a through 3i)				
Part II — Interest Deductions, All Other Deductions, and Total Deductions					
		(a) Average Value of Assets — Check method used: <input type="checkbox"/> Fair market value <input checked="" type="checkbox"/> Tax book value		(b) Interest Deductions	
		(i) Nonfinancial Corporations	(ii) Financial Corporations	(iii) Nonfinancial Corporations	(iv) Financial Corporations
1a	Totals (see page 9 of instructions)				
b	Amounts specifically allocable under Temp. Regs. 1.861-10(e)				
c	Other specific allocations under Temp. Regs. 1.861-10T				
d	Assets excluded from apportionment formula				
2	Total to be apportioned (subtotals 1b, 1c, and 1d from line 1a)				
3	Apportionment among statutory groupings:				
a	General limitation income				
b	Passive income				
c	High withholding tax interest				
d	Financial services income				
e	Shipping income				
f	Dividends from noncontrolled section 902 corporation*	3,575,817			46,196
g	Taxable income attributable to foreign trade income				
h	Certain distributions from a FSC or former FSC				
i	Dividends from a DISC or former DISC				
j	Section 901(j) income*				
k	Income re-sourced by treaty*				
4	Total foreign (add lines 3a through 3k)	795,769,639			10,159,692
Important: See Computer-Generated Schedule H in instructions.					

Schedule J
(Form 1118)

(Rev. February 2002)

Department of the Treasury
Internal Revenue Service

Name of corporation

W.R. GRACE & CO. & SUBSIDIARIES

Part I **Adjustments to Separate Limitation Income or (Losses) in Determining Numerators of Limitation Fractions (See Instructions.)**

	(I) General limitation income	(II) Passive income	(III) High withholding tax interest	(IV) Financial services income	(V) Shipping income	(VI) Dividends from a DISC or former DISC	(VII) Taxable income attributable to foreign trade income	(VIII) Certain distributions from a FSC or former FSC	(IX) Dividends from noncontrolled section 902 corporation*	(X) Other income*
1 Income or (loss) before adjustments (see instructions).	27,191,732	-956,011								-46,196
2 Allocation of current year separate limitation losses:										
a General limitation income	(956,011)									
b Passive income		(956,011)								
c High withholding tax interest		()	()							
d Financial services income		()	()	()						
e Shipping income		()	()	()	()					
f Dividends from a DISC or former DISC		()	()	()	()	()				
g Taxable income attributable to foreign trade income		()	()	()	()	()	()			
h Certain distributions from a FSC or former FSC		()	()	()	()	()	()	()		
i Dividends from noncontrolled section 902 corporation*		(46,196)	()	()	()	()	()	()	()	46,196
j Other income*	()	()	()	()	()	()	()	()	()	()
3 Subtotal — Combine lines 1 through 2].	26,189,525	0								0
4 Overall foreign losses										
5 Recapture of overall foreign losses										
6 Subtotal — Subtract line 5 from line 3.	26,189,525	0								0
7 Recharacterization of separate limitation income:										
a General limitation income	()	()								
b Passive income		()								
c High withholding tax interest		()	()							
d Financial services income		()	()	()						
e Shipping income		()	()	()	()					
f Dividends from a DISC or former DISC		()	()	()	()	()				
g Taxable income attributable to foreign trade income		()	()	()	()	()	()			
h Certain distributions from a FSC or former FSC		()	()	()	()	()	()	()		
i Dividends from noncontrolled section 902 corporation*		()	()	()	()	()	()	()		
j Other income*	()	()	()	()	()	()	()	()	()	()
8 Subtotal — Combine lines 6 through 7].	26,189,525	0								0

* Important: See Computer-Generated Schedule J in Instructions.

Schedule J (Form 1118) (Rev. 2-2002)

	(i) General limitation income	(ii) Passive income	(iii) High withholding tax interest	(iv) Financial services income	(v) Shipping income	(vi) Dividends from a DISC or former DISC	(vii) Taxable income attributable to foreign trade income	(viii) Certain distributions from a FSC or former FSC	(ix) Dividends from noncontrolled section 902 corporation*	(x) Other income*
9 Subtotal — Enter amounts from Part I, line 8	25,189,525	0								0
10 Allocation of current year U.S. source losses (see instructions)	25,189,525									0
11 Numerator of Limitation Fraction — Subtract line 10 from line 9. Enter each result here and on Part II, line 6, of corresponding Schedule B.	0	0								0

Part II Year-End Balances of Future Separate Limitation Income That Must Be Recharacterized

a General limitation income										
b Passive income										
c High withholding tax interest										
d Financial services income										
e Shipping income										
f Dividends from a DISC or former DISC										
g Taxable income attributable to foreign trade income										
h Certain distributions from a FSC or former FSC										
1 Dividends from noncontrolled section 902 corporation*										
j Other income*										

Part III Overall Foreign Loss Account Balances (section 904(f)(1))

Complete for each separate limitation income category

1 Beginning balance										
2 Current year additions										
3 Current year reductions (other than recapture)	()	()	()	()	()	()	()	()	()	()
4 Subtotal — Combine lines 1 through 3										
5 Current year recapture (from Part I, line 5)										
6 Ending balance — Subtract line 5 from line 4.										

* Important: See Computer-Generated Schedule J in instructions.

Foreign Tax Credit — Corporations

For calendar year 20 01

, or other tax year beginning

.20

, and ending

.20

W. R. GRACE & CO. & SUBSIDIARIES

Use a **separate Form 1118** for each applicable category of income listed below. See **Categories of Income** on page 1 of instructions. Also, see **Specific Instructions** on page 5.

Check only one box on each form.

Passive Income

High Withholding Tax Interest

Financial Services Income

Shipping Income

Dividends From a DISC or Former DISC

Taxable Income Attributable To Foreign Trade Income

Certain Distributions From a FSC or Former FSC

Dividends From Each Noncontrolled Section 902 Corporation:

 Name of Foreign Corporation ►

Name of Foreign Corporation ►

Country of Incorporation ►

Case 01-01139-AMC

Gross Income or (Loss) From Sources Outside the United States (INCLUDE Foreign Branch Gross Income here and on Schedule F)

Schedule A	Foreign Country or U.S. Possession (Enter two-letter code from list beginning on page 10 of instructions. Use a separate line for each.)*	2. Deemed Dividends (see instructions)		3. Other Dividends		4. Interest		5. Gross Rents, Royalties, and License Fees		6. Gross Income From Performance of Services		7. Other (attach schedule)		8. Total (add columns 2(a) through 7)						
		(a) Exclude gross-up	(b) Gross-up (sec. 78)	(a) Exclude gross-up	(b) Gross-up (sec. 78)	(a) Interest	(b) Interest	(a) Gross Rents, Royalties, and License Fees	(b) Gross Rents, Royalties, and License Fees	(a) Other (attach schedule)	(b) Other (attach schedule)	(a) Gross Income From Performance of Services	(b) Gross Income From Performance of Services	(a) Other (attach schedule)	(b) Other (attach schedule)					
A	Hong Kong	52,599														52,599				
B																				
C																				
D																				
E																				
F																				
G																				
Totals (add lines A through G)		52,599														52,599				
*For section 863(b) income, use a single line and enter 863(b).																				
Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)																				
9. Definitely Allocable Deductions		10. Apportioned Share of Deductions Not Definitely Allocable (Enter amount from applicable line of Schedule H, Part I, column (d))		11. Total Deductions (add columns 9(e) and 10)																
Rental, Royalty, and Licensing Expenses		(c) Expenses Related to Gross Income From Performance of Services		(d) Other Definitely Allocable Deductions		(e) Total Definitely Allocable Deductions (add columns 9(a) through 9(c))														
(a) Depreciation, Depletion, and Amortization		(b) Other Expenses																		
A																				
B																				
C																				
D																				
E																				
F																				
G																				
Totals																				
For Paperwork Reduction Act Notice, see separate instructions.																				
OMB No. 1545-0122																				
Case 01-01139-AMC																				
Doc 3022-1 Filed 11/19/02 Page 26 of 42																				
12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)																				
52,599																				
Form 1118 (Rev. 2-2002)																				
Form 1118 (Rev. 2-2002)																				
ISA STF FED863F.1																				

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)**Part I — Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of Instructions.)**

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)						3. Tax Deemed Paid (from Schedule C — Part I, column 10, Part II, column 8(b), and Part III, column 8.)	
<input checked="" type="checkbox"/> Paid	<input type="checkbox"/> Accrued	Tax Withheld at Source on:		Other Foreign Taxes Paid or Accrued on:			(h) Total Foreign Taxes Paid or Accrued (add columns 2(a) through 2(j))		
Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 863(b) Income	(e) Foreign Branch Income	(f) Services Income	(g) Other	
A									
B									
C									
D									
E									
F									
G									
Totals (add lines A through G)									

Part II — Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

- 1 Total foreign taxes paid or accrued (total from Part I, column 2(h))
- 2 Total taxes deemed paid (total from Part I, column 3)
- 3 Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)
- 4 Total carryover of foreign taxes (attach schedule showing computation in detail — see page 6 of the instructions)
- 5 Total foreign taxes (combine lines 1 through 4)
- 6 Enter the amount from the applicable column of Schedule J, Part I, line 11. (See page 6 of instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A.
- 7a Total taxable income from all sources (enter taxable income from the corporation's tax return)
- b Adjustments to line 7a. (See page 6 of instructions.)
- c Subtract line 7b from line 7a.
- 8 Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1
- 9 Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)
- 10 Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)
- 11 Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)

Part III — Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. **Do not include taxes on taxable income attributable to foreign trade income or taxes paid to sanctioned countries.**

- 1 Credit for taxes on passive income
- 2 Credit for taxes on high withholding tax interest
- 3 Credit for taxes on financial services income
- 4 Credit for taxes on shipping income
- 5 Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)
- 6 Credit for taxes on dividends from a DISC or former DISC
- 7 Credit for taxes on certain distributions from a FSC or former FSC
- 8 Credit for taxes on general limitation income
- 9 Credit for taxes on income re-sourced by treaty (combine all such credits on this line)
- 10 Total (add lines 1 through 9)
- 11 Reduction in credit for international boycott operations (see page 6 of instructions)
- 12 Total foreign tax credit (subtract line 11 from line 10). Enter here and on the appropriate line of the corporation's tax return

Page 3

Tax Deemed Paid by Domestic Corporation Filing Return
Use this schedule to figure the tax deemed paid by the corporation with respect to dividends from a first-tier foreign corporation under section 902(a), and deemed inclusions of earnings from a first- or lower-tier foreign corporation under section 960(a). Report all amounts in U.S. dollars unless otherwise specified.

Part I – Dividends and Deemed Inclusions From Post-1986 Undistributed Earnings

Use this schedule to figure the tax deemed paid by the corporation with respect to dividends from a first-tier foreign corporation under section 902(a), and deemed inclusions of earnings from a first- or lower-tier foreign corporation under section 956(a). Report all amounts in U.S. dollars.

Part I — Dividends and Dividend Inclusions Form 1005 U — Corporation Unitholder Statement 2001a, Report all amounts in U.S. dollars unless otherwise specified.

Total (Add amounts in column 10. Enter the result here and include on "Totals" line of Schedule B Part I column 3)

Part II = Dividends Paid Out of Pre-1987 Accumulated Profits

Total (Add amounts in column 8b. Enter the result here and include on "Totals" line of Schedule D. Do not enter 2)

Part III—Decided in which case the court ruled in favor of the plaintiff.

Total (Add amounts in column 8. Enter the result here and include on "Totals" line of Schedule B Part I column 3)

1118

Form (Rev. February 2002)
Internal Revenue Service
Department of the Treasury
Name of corporation

W. R. GRACE & CO. & SUBSIDIARIES

Use a **separate** Form 1118 for each applicable category of income listed below. See **Categories of Income** on page 1 of instructions. Also, see **Specific Instructions** on page 5.

Check only one box on each form.

- Passive Income
- High Withholding Tax Interest
- Financial Services Income
- Shipping Income

Case 01-01139-AMC

For calendar year 20

or other tax year beginning

, 20

, and ending

, 20

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)**Part I — Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of instructions.)**

1. Credit is Claimed for Taxes: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)		3. Tax Deemed Paid (from Schedule C — Part I, column 10, Part II, column 8(b), and Part III, column 8.)					
Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 883(b) Income	(e) Foreign Branch Income	(f) Services Income	(g) Other	(h) Total Foreign Taxes Paid or Accrued (add columns 2(a) through 2(g))
A									
B									
C									
D									
E									
F									
G									
Totals (add lines A through G)									

Part II — Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

- 1 Total foreign taxes paid or accrued (total from Part I, column 2(h))
- 2 Total taxes deemed paid (total from Part I, column 3)
- 3 Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)
- 4 Total carryover of foreign taxes (attach schedule showing computation in detail — see page 6 of the instructions)
- 5 Total foreign taxes (combine lines 1 through 4)
- 6 Enter the amount from the applicable column of Schedule J, Part I, line 11. (See page 6 of instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A.
- 7a Total taxable income from all sources (enter taxable income from the corporation's tax return)
- b Adjustments to line 7a. (See page 6 of instructions)
- c Subtract line 7b from line 7a.
- 8 Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1
- 9 Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)
- 10 Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)
- 11 Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)

Part III — Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. **Do not include taxes on taxable income attributable to foreign trade income or taxes paid to sanctioned countries.**

- 1 Credit for taxes on passive income
- 2 Credit for taxes on high withholding tax interest
- 3 Credit for taxes on financial services income
- 4 Credit for taxes on shipping income
- 5 Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)
- 6 Credit for taxes on dividends from a DISC or former DISC
- 7 Credit for taxes on certain distributions from a FSC or former FSC
- 8 Credit for taxes on general limitation income
- 9 Credit for taxes on income re-sourced by treaty (combine all such credits on this line)
- 10 Total (add lines 1 through 9)
- 11 Reduction in credit for international boycott operations (see page 6 of instructions)
- 12 Total foreign tax credit (subtract line 11 from line 10). Enter here and on the appropriate line of the corporation's tax return

Part I — Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of instructions.)

1. Credit is Claimed for Taxes: <input type="checkbox"/> Paid <input checked="" type="checkbox"/> Accrued	2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)					
	Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 863(b) Income
A						
B						
C						
D						
E						
F						
G						
Totals (add lines A through G)						

Part II — Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

1 Total foreign taxes paid or accrued (total from Part I, column 2(h))						
2 Total taxes deemed paid (total from Part I, column 3)						
3 Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)						
4 Total carryover of foreign taxes (attach schedule showing computation in detail — see page 6 of the instructions)						
5 Total foreign taxes (combine lines 1 through 4)						
6 Enter the amount from the applicable column of Schedule J, Part I, line 11. (See page 6 of instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A.						
7a Total taxable income from all sources (enter taxable income from the corporation's tax return)						
b Adjustments to line 7a. (See page 6 of instructions.)						
c Subtract line 7b from line 7a.						
8 Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1						
9 Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)						
10 Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)						
11 Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)						
Part III — Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. Do not include taxes on taxable income attributable to foreign trade income or taxes paid to sanctioned countries.						
1 Credit for taxes on passive income						
2 Credit for taxes on high withholding tax interest						
3 Credit for taxes on financial services income						
4 Credit for taxes on shipping income						
5 Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)						
6 Credit for taxes on dividends from a DISC or former DISC						
7 Credit for taxes on certain distributions from a FSC or former FSC						
8 Credit for taxes on general limitation income						
9 Credit for taxes on income re-sourced by treaty (combine all such credits on this line)						
10 Total (add lines 1 through 9)						
11 Reduction in credit for international boycott operations (see page 6 of instructions)						
12 Total foreign tax credit (subtract line 11 from line 10). Enter here and on the appropriate line of the corporation's tax return						

1122Form
(Rev. April 2001)Department of the Treasury
Internal Revenue Service**Authorization and Consent of Subsidiary Corporation
To Be Included in a Consolidated Income Tax Return**

► Attach to the consolidated income tax return.

Note: Attach a separate form for each subsidiary for the first tax year the subsidiary consents to be included in the consolidated filing.

For the calendar year 2001, or other tax year beginning

and ending

Name

Employer identification number

Advanced Refining Technologies Management, Inc.

52-2290300

Number, street, and room or suite no.

5400 Broken Sound Blvd. NW, Suite 300

City or town, state, and ZIP code

Boca Raton

FL

33487

Name of parent corporation

Employer identification number

W. R. Grace & Co.

65-0773649

The subsidiary corporation named above authorizes its parent corporation to include it in a consolidated return for the tax year indicated and for each subsequent year the group must file a consolidated return under the applicable regulations. If the parent corporation does not file a consolidated return on

behalf of the subsidiary, the subsidiary authorizes the Commissioner of the Internal Revenue Service or an IRS official to do so.

The subsidiary consents to be bound by the provisions of the consolidated return regulations.

Under penalties of perjury, I declare that the subsidiary named above has authorized me to sign this form on its behalf, that I have examined this form and the information contained herein, and to the best of my knowledge and belief, it is true, correct, and complete.

Sign
Here


Signature of subsidiary officer

9/13/02

Date

Vice President

Title

For Paperwork Reduction Act Notice, See Instructions.

Form 1122 (Rev. 4-2001)

JXB

F 07/31/01

1122Form
(Rev. April 2001)Department of the Treasury
Internal Revenue Service**Authorization and Consent of Subsidiary Corporation
To Be Included in a Consolidated Income Tax Return**

► Attach to the consolidated income tax return.

Note: Attach a separate form for each subsidiary for the first tax year the subsidiary consents to be included in the consolidated filing.

For the calendar year 2001, or other tax year beginning	and ending
Name	Employer identification number

The Separation Group	95-2806431
----------------------	------------

Number, street, and room or suite no.

5400 Broken Sound Blvd. NW Suite 300

City or town, state, and ZIP code

Boca Raton	FL	33487	Employer identification number
Name of parent corporation			

W. R. Grace & Co.	65-0773649
-------------------	------------

The subsidiary corporation named above authorizes its parent corporation to include it in a consolidated return for the tax year indicated and for each subsequent year the group must file a consolidated return under the applicable regulations. If the parent corporation does not file a consolidated return on

behalf of the subsidiary, the subsidiary authorizes the Commissioner of the Internal Revenue Service or an IRS official to do so.

The subsidiary consents to be bound by the provisions of the consolidated return regulations.

Sign Here	<p>Under penalties of perjury, I declare that the subsidiary named above has authorized me to sign this form on its behalf, that I have examined this form and the information contained herein, and to the best of my knowledge and belief, it is true, correct, and complete</p> <p>9/13/02</p> <p>Date</p> <p>Vice President</p> <p>Title</p>		
	<p>Signature of subsidiary officer</p> <p>Elyn Fink</p>		

For Paperwork Reduction Act Notice, See Instructions.

Form 1122 (Rev 4-2001)

JXB

F 07/31/01

Form 3800

General Business Credit

2001

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

- Attach to your tax return.
- See separate instructions.

Attachment Sequence No.

Identifying number

W.R. GRACE & CO., & Subsidiaries

65-0773649

Part I Tentative Credit

1 a	Current year investment credit (Form 3468, Part I)	1a
b	Current year work opportunity credit (Form 5884, Part I)	1b
c	Current year welfare-to-work credit (Form 8861, Part I)	1c
d	Current year credit for alcohol used as fuel (Form 6478)	1d
e	Current year credit for increasing research activities (Form 6765, Part I)	1e
f	Current year low-income housing credit (Form 8586, Part I)	1f
g	Current year enhanced oil recovery credit (Form 8830, Part I)	1g
h	Current year disabled access credit (Form 8826, Part I)	1h
i	Current year renewable electricity production credit (Form 8835, Part I)	1i
j	Current year Indian employment credit (Form 8845, Part I)	1j
k	Current year credit for employer social security and Medicare taxes paid on certain employee tips (Form 8846, Part I)	1k
l	Current year orphan drug credit (Form 8820, Part I)	1l
m	Current year new markets credit (Form 8874, Part I)	1m
n	Current year credit for contributions to selected community development corporations (Form 8847, Part I)	1n
o	Current year trans-Alaska pipeline liability fund credit (see instructions)	1o
p	Current year general credits from an electing large partnership (Schedule K-1 (Form 1065-B))	1p
2	Current year general business credit. Add lines 1a through 1p	2
3	Passive activity credits included on line 2 (see instructions)	3
4	Subtract line 3 from line 2.	4
5	Passive activity credits allowed for 2001 (see instructions)	5
6	Carryforward of general business credit to 2001. See instructions for the schedule to attach.	6
7	Carryback of general business credit from 2002 (see instructions)	7
8	Tentative general business credit. Add lines 4 through 7	8

Part II General Business Credit Limitation Based on Amount of Tax

9	Regular tax before credits (see instructions)	9	NONE
10	Alternative minimum tax (see instructions)	10	NONE
11	Add lines 9 and 10	11	0
12 a	Foreign tax credit	12a	
b	Credit for child and dependent care expenses (Form 2441, line 9)	12b	
c	Credit for the elderly or the disabled (Schedule R (Form 1040), line 20)	12c	
d	Education credits (Form 8863, line 18)	12d	
e	Rate reduction credit (Form 1040, line 47)	12e	
f	Child tax credit (Form 1040, line 48)	12f	
g	Mortgage interest credit (Form 8396, line 11)	12g	
h	Adoption credit (Form 8839, line 14)	12h	
i	District of Columbia first-time homebuyer credit (Form 8859, line 11)	12i	
j	Possessions tax credit (Form 5735, line 17 or 27)	12j	
k	Credit for fuel a nonconventional source	12k	
l	Qualified electric vehicle credit (Form 8834, line 20)	12l	
m	Add lines 12a through 12l	12m	0
13	Net income tax. Subtract line 12m from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18a	13	NONE
14	Tentative minimum tax (see instructions)	14	NONE
15	Net regular tax. Subtract line 12m from line 9. If zero or less, enter -0-	15	0
16	Enter 25% (.25) of the excess, if any, of line 15 over \$25,000 (see instr)	16	NONE
17	Enter the greater of line 14 or line 16	17	0
18 a	Subtract line 17 from line 13. If zero or less, enter -0-	18a	0
b	Enter the smaller of line 8 or line 18a. Individuals, estates, and trusts: See instrs if claiming the credit for increasing research activities. C corps: See the instrs for Sch A if any reg investment or carryforward is claimed and the line 18b instrs if there has been an ownership change, acquisition, or reorganization.	18b	0
c	Suspended research credit allowed for the current year (see instructions)	18c	0
19	General business credit allowed for the current year. Subtract line 18c from line 18b. Enter here and on Form 1040, line 50; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 4a; Form 1041, Schedule G, line 2c; or the applicable line of your return	19	0

Schedule A — Additional General Business Credit Allowed By Internal Revenue Code Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990) - Only Applicable to C Corporations

20	Enter the portion of the credit shown on line 6 that is attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	20	
21	Tentative minimum tax (from line 14)	21	
22	Multiply line 21 by 25% (.25)	22	
23	Enter the amount from line 18a	23	
24	Enter the portion of the credit shown on line 8 that is not attributable to the regular investment credit under section 46 (before amendment by the Revenue Reconciliation Act of 1990)	24	
25	Subtract line 24 from line 23. If zero or less, enter -0-	25	
26	Subtract line 25 from line 20. If zero or less, enter -0-	26	
27	For purposes of this line only, refigure the amount on Form 4626, line 11, by using zero on Form 4626, line 6, and enter the result here.	27	
28	Multiply line 27 by 10% (.10)	28	
29	Net income tax (from line 13)	29	
30	Enter the amount from line 18b	30	
31	Subtract line 30 from line 29	31	
32	Subtract line 28 from line 31	32	
33	Enter the smallest of line 22, line 26, or line 32	33	
34	Subtract line 33 from line 21	34	
35	Enter the greater of line 16 or line 34	35	
36	Subtract line 35 from line 29. Also enter this amount on line 18b instead of the amount previously figured on that line. Write "Sec. 38(c)(2)" next to your entry on line 18b	36	

Form 4136

Department of the Treasury
Internal Revenue Service (99)

► See the Instructions for Form 4136.

► Attach this form to your income tax return.

2001
Attachment
Sequence No. 23

(as shown on your income tax return)

Taxpayer identification number

GRACE & CO., & Subsidiaries

65-0773649

Caution: You cannot claim any amounts on Form 4136 that you claimed on Form 8849 or Schedule C (Form 720).

1 Nontaxable Use of Gasoline and Gasohol

Caution: Gasoline wholesale distributors cannot make claims on line 1. Use Schedule 4 (Form 8849) or Schedule C (Form 720) to make these claims.		(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Off-highway business use of gasoline		\$.184	20,304	\$	362
b	Use of gasoline on a farm for farming purposes		.184			
c	Other nontaxable use of gasoline		.184		3,736	359
d	10% gasohol		.131			375
e	7.7% gasohol		.14319			376
f	5.7% gasohol		.15379			

2 Nontaxable Use of Aviation Gasoline

Caution: Gasoline wholesale distributors cannot make claims on line 2. Use Schedule 4 (Form 8849) or Schedule C (Form 720) to make these claims.		(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a	Use in commercial aviation (other than foreign trade)		\$.15		\$	354
	Other nontaxable use		.194			324

3 Nontaxable Use of Undyed Diesel Fuel

Claimant has the name and address of the person(s) who sold the diesel fuel to the claimant and the date(s) of the purchase(s) and if exported, the required proof of export.

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

Exception. If any of the diesel fuel included in this claim did contain visible evidence of dye, attach a detailed explanation and check here. ► <input type="checkbox"/>		(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Caution: Claims cannot be made on line 3 for the tax on diesel fuel used on a farm for farming purposes. Only registered ultimate vendors may make those claims. See line 6.			\$.244		\$	360
a	Nontaxable use		.244	56,995	13,907	353
b	Use in trains		.20			350
c	Use in certain intercity and local buses		.17			

4 Nontaxable Use of Undyed Kerosene

Claimant has the name and address of the person(s) who sold the kerosene to the claimant and the date(s) of the purchase(s) and if exported, the required proof of export.

Claimant certifies that the kerosene did not contain visible evidence of dye.

Exception. If any of the kerosene included in this claim did contain visible evidence of dye, attach a detailed explanation and check here. ► <input type="checkbox"/>		(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Caution: Claims cannot be made on line 4 for the tax on kerosene used on a farm for farming purposes or for kerosene sold from a blocked pump. Only registered ultimate vendors may make those claims. See line 7.			\$.244		\$	346
Nontaxable use			.244			
Use in trains			.20			348
c	Use in certain intercity and local buses		.17			347

For Paperwork Reduction Act Notice, See Instructions.

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Form 4136 (2001)

5 Nontaxable Use of Aviation Fuel

(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
Use in commercial aviation (other than foreign trade)	\$.175		\$	355
Other nontaxable use	.219			369
c Other nontaxable uses	.044			377

6 Sales by Registered Ultimate Vendors of Undyed Diesel Fuel

UV Registration No. ►

Claimant sold the diesel fuel at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained written consent of the buyer to take the claim; and obtained the required certificate from the buyer and has no reason to believe any information in the certificate is false. See the instructions for additional information to be submitted.

Claimant certifies that the diesel fuel did not contain visible evidence of dye.

(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use on a farm for farming purposes	\$.244		\$	360
b Use by a state or local government	.244			

7 Sales by Registered Ultimate Vendors of Undyed Kerosene

UV Registration No. ►

UP Registration No. ►

Claimant sold the kerosene at a tax-excluded price, repaid the amount of tax to the buyer, or has obtained written consent of the buyer to take the claim; and obtained the required certificate (for lines 7a and 7b) from the buyer and has no reason to believe any information in the certificate is false, or has the Regulations section 48.6427-10(e)(4) statement, if required, for line 7c. See the instructions for additional information to be submitted.

Claimant certifies that the kerosene did not contain visible evidence of dye.

(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use on a farm for farming purposes	\$.244		\$	346
b Use by a state or local government	.244			
c Sales from a blocked pump	.244			

8 Nontaxable Use of Liquefied Petroleum Gas (LPG) in Certain Buses

(a) Type of use	(b) Rate	(c) Gallons	(d) Amount of credit	(e) CRN
a Use in certain intercity and local buses	\$.062		\$	352
b Use in qualified local and school buses	.136			361

9 Gasohol Blending

Claimant bought gasoline taxed at the full rate and blended it with alcohol to make gasohol. The gasohol was sold or used in claimant's trade or business. For each batch of gasohol, claimant has the required information relating to the purchase of the gasoline and alcohol used to make the gasohol and to support the amount claimed.

(a) Rate	Gallons of		(d) Amount of credit (col. (a) X col. (b))	(e) CRN
	(b) Gasoline	(c) Alcohol		
a 10% gasohol	\$.03845		\$	356
b 7.7% gasohol	.02887			357
5.7% gasohol	.02092			363

Total income tax credit claimed. Add lines 1 through 9, column (d). Enter here and on Form 1040, line 65 (also check box b on line 65); Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23c; Form 1041, line 24g; or the proper line of other returns. ►

10 \$ 17,643

Form 4136 (2001)

4562

Form (Rev. March 2002)
Department of the Treasury
Internal Revenue ServiceDepreciation and Amortization
(Including Information on Listed Property)

2001

Attachment Sequence No 67

Name(s) shown on return

W.R. GRACE & CO., & Subsidiaries

Business or activity to which this form relates

Holding Company

Identifying number

65-0773649

Part I Election To Expense Certain Tangible Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See instructions for a higher limit for certain businesses.	1	\$24,000
2	Total cost of section 179 property placed in service (see instructions)	2	19,218,016
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	19,018,016
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instr.	5	0
	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2000 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0
13	Carryover of disallowed deduction to 2002. Add lines 9 and 10, less line 12	13	0

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for certain property (other than listed property) acquired after Sept. 10, 2001 (see instr.)	14	4,066,666
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	884,832

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2001	17	53,528,188
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		<input type="checkbox"/>

Section B - Assets Placed in Service During 2001 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		10,717,172				1,989,170
b 5-year property		25,367,030				4,365,541
c 7-year property		2,320,554				302,845
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property		1,767,427	39 yrs.	MM	S/L	19,750
				MM	S/L	

Section C - Assets Placed in Service During 2001 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	65,156,992
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see the separate instructions.

Form 4562 (2001) (Rev. 3-2002)

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Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles.)

4a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for listed property acquired after September 10, 2001, and used more than 50% in a qualified business use (see instructions)					25			
26 Property used more than 50% in a qualified business use (see instructions):								
27 Property used 50% or less in a qualified business use (see instructions):					S/L-			
					S/L-			
					S/L-			
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.	28					0		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.					29			0

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles-see instr)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No										
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
3 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5%.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
2 Amortization of costs that begins during your 2001 tax year (see instructions):					
43 Amortization of costs that began before your 2001 tax year.			43		767,247
44 Total. Add amounts in column (f). See instructions for where to report.			44		767,247

Alternative Minimum Tax-Corporations

OMB No. 1545-0175

Form 4626

Department of the Treasury
Internal Revenue Service

W.R. GRACE & CO., & Subsidiaries

2001

► See separate instructions.

► Attach to the corporation's tax return.

Employer identification number

65-0773649

1	Taxable income or (loss) before net operating loss deduction.	1	-67,172,922
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	455,284
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss.	2e	-25,058
f	Long-term contracts	2f	
g	Installment sales	2g	
h	Merchant marine capital construction funds	2h	
i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i	
j	Tax shelter farm activities (personal service corporations only)	2j	
k	Passive activities (closely held corporations and personal service corporations only)	2k	
l	Loss limitations.	2l	
m	Depletion.	2m	-549,430
n	Tax-exempt interest from specified private activity bonds	2n	
o	Intangible drilling costs.	2o	
p	Accelerated depreciation of real property (pre-1987)	2p	
q	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2q	
	Other adjustments	2r	-5,964,266
s	Combine lines 2a through 2r	2s	-6,083,470
3	Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2s	3	-73,256,392
4	Adjusted current earnings (ACE) adjustment:		
a	Enter the corporation's ACE from line 10 of the worksheet in the instructions	4a	-28,865,203
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions for examples)	4b	44,391,189
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	33,293,392
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	16,755,933
e	ACE adjustment:	4e	33,293,392
	● If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.		
	● If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax.	5	-39,963,000
6	Alternative tax net operating loss deduction (see instructions)	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see the instructions.	7	

For Paperwork Reduction Act Notice, See Instructions.

103/02

8	Enter the amount from line 7 (alternative minimum taxable income).	8	
Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):			
a	Subtract \$150,000 from line 8 (if completing this line for a member of a controlled group, see the instructions). If zero or less, enter -0-	9a	0
b	Multiply line 9a by 25% (.25)	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	9c	40,000
10	Subtract line 9c from line 8. If zero or less, enter -0-	10	0
11	Multiply line 10 by 20% (.20)	11	
12	Alternative minimum tax foreign tax credit (see instructions)	12	
13	Tentative minimum tax. Subtract line 12 from line 11	13	NONE
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit	14	NONE
15	Alternative minimum tax. Subtract line 14 from line 13. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 4, or the appropriate line of the corporation's income tax return.	15	0